

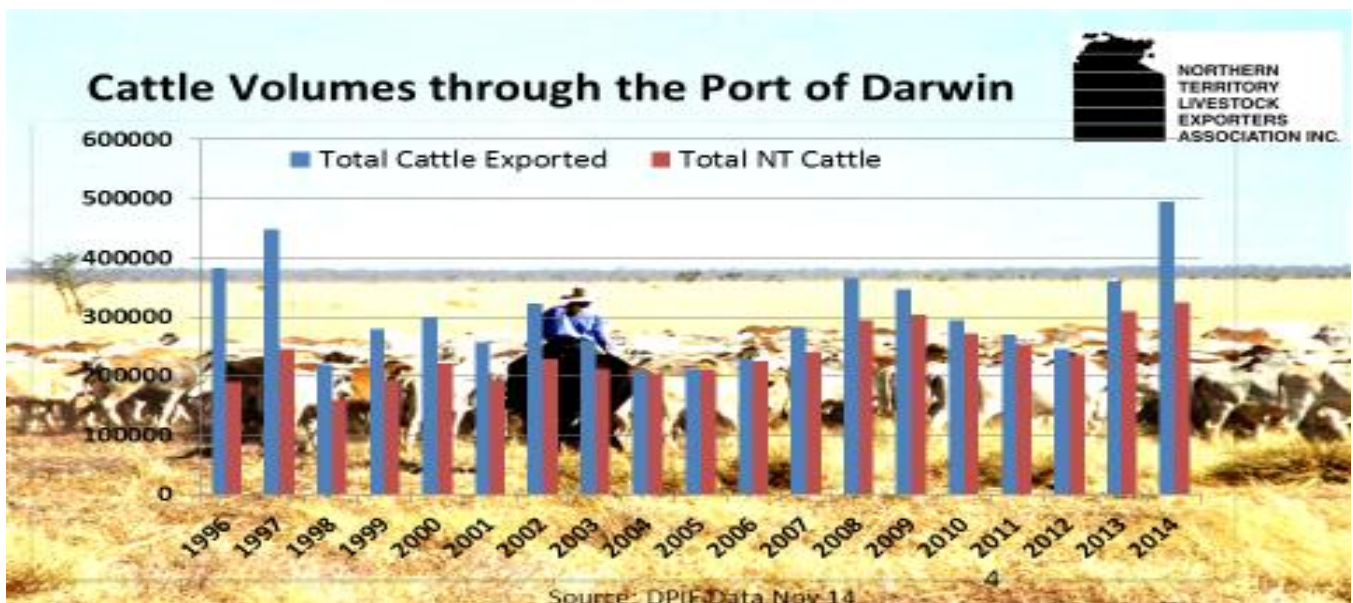


# NORTHERN TERRITORY LIVESTOCK EXPORTERS ASSOCIATION

Submission to the Port of Darwin Select Committee.

## Summary

In excess of 500,000 head of livestock were exported over the Port of Darwin in the 2014 calendar year worth greater than \$450,000,000 to the NT economy and pastoral industry of Northern Australia. Historically, these exports are a substantial increase on previous years and demonstrates confident progress by the industry (fig 1).



Recent growth is primarily through the investment by the livestock industry, livestock exporters and the livestock export yard operators have made in creating and developing their infrastructure and through training of staff. Further, the industry is building commitment to the trade through investing heavily in feedlot operations and processing facilities in the export markets and training in country staff to ensure compliance to the implementation of Export Supply Chain Assurance System (ESCAS) aimed at ensuring humane treatment of livestock.

International government and importer delegates and representatives visit Darwin as they recognise the geographical location as a significant comparative advantage in building their supply of livestock to provide for the ever increasing demands in protein within their population. Asian food demand is set to double by 2050.



## Considerations

The task is to have a simple and easy means to move livestock into international markets that is cost effective and efficient without bottle necks restricting the flow of stock to international markets.

The vision to double the level of livestock exports over the wharf over the next 10 years to 1 million head is achievable, however it will require much investment in the Port to ensure the facilities have the capacity and the capability to directly contribute and foster this growth.

A range of issues such as berthing (space & accessibility), the rate and methodology of loading of livestock and fodder (efficiency), heavy vehicle access, training and cost of operations are all short term considerations. These would be seen as operational and with appropriate investments in the implementation of processes encouraging the adoption of best practice models in communications and management would be seen as an imperative to enhance these objectives.

For the long term growth of the livestock export industry the port facility requires considerable investment to deliver services allowing livestock exports to grow efficiently without any undue burden on the industry.

## Future

With north Australian livestock are being regarded as valuable cargo and that the industry adds considerably to the Northern Territory economy, the sector however often becomes the poor cousin to the resource sector in periods of high commodity prices for minerals. Similar investment that has occurred for the minerals handling is required to enhance the livestock exports as this industry has a long term growth curve based on an increasing need of fresh protein sources for SE and Northern Asian consumers. This growth will bring continued and extended economic benefits to the whole NT community.

It is expected that the Free Trade Agreement between China and Australia (ChAFTA – see <http://dfat.gov.au/trade/agreements/chafta/fact-sheets/Pages/key-outcomes.aspx>) will support increased trade and investment between the two countries by reducing trading barriers. Indeed, once trade is accepted through the livestock health protocols, livestock export tariffs will be reduced from 10 percent to nil within four years improving competitiveness into this potential markets. Already delegations from China, representing Guangdong Province, have demonstrated a keenness to develop joint trade with the Port of Darwin and implement the Sino Australian Maritime Logistics Channel for livestock between Huizhou Port and Darwin Port.

Future structural change to the Port of Darwin must ensure investments are aimed at increasing throughput and efficiency to encourage the NTLEA to continue “*driving Australia’s livestock export industry*” to the benefit of all Territorians.

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